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HIGHLIGHTS

- June 1 Crop Production
- World Ag Supply & Demand
- Barley County Estimates
- Ag Prices Received

June 1 Crop Production Forecast

Based on June 1 conditions, Montana winter wheat producers are expecting a yield of 42 bushels per acre, up 1 bushel from the May 1 forecast, but down 1 bushel from last year's final yield. If realized, the total production would be 90.3 million bushels, 9 percent above last year's 82.6 million bushels. This increase in production is a result of an increase in harvested acreage from 1.92 million acres in 2006 to a projected 2.15 million acres in 2007.

For the week ending June 3, Montana's winter wheat crop condition was rated 0% very poor, 3% poor, 20% fair, 44% good, and 33% excellent up significantly from the 2006 rating of 2% very poor, 13% poor, 47% fair, 29% good, and 9% excellent. Near normal temperatures during most of May coupled with significant precipitation has provided the winter wheat crop with ideal growing conditions. Crop development is rated at 66 percent boot stage and 4 percent headed compared to the five year averages of 50 and 7 percent respectively. Crop development is behind last year's crop ratings of 73 percent boot stage and 20 percent headed but it should be noted that May 2006 was abnormally warm and dry causing the rapid development of the crop.

Winter wheat production for the United States is forecast at 1.61 billion bushels, down slightly from the May 1 forecast but 24 percent above 2006. Based on June 1 conditions, the U.S. yield is forecast at 43.2 bushels per acre, down 0.3 bushel from last month but 1.5 bushels more than last year. Grain area totals 37.2 million acres, up fractionally from May 1. Hard Red production is up slightly from a month ago to 1.03 billion bushels. Soft Red is down 2 percent from last month and now totals 341 million bushels. White production totals 237 million bushels, down 1 percent from last month. Of the White production total, 18.9 million bushels are Hard White and 218 million bushels are Soft White.

Winter wheat heading in the United States began May behind the normal pace but advanced ahead of normal by month's end. On May 27, eighty percent of the crop was at or beyond the heading stage, 1 point ahead of last year and 3 points ahead of the 5-year average.

World Ag Supply and Demand Estimates

U.S. wheat ending stocks for 2007/08 are projected down 26 million bushels this month as lower production and higher projected exports more than offset a small increase in forecast carryin. Forecast winter wheat production is lowered 6 million bushels this month. Carryin is forecast 5 million bushels higher this month as a 5-million-bushel increase in 2006/07 imports raises old-crop ending stocks. Exports for 2007/08 are projected 25 million bushels higher reflecting stronger expected demand for U.S. wheat as production shortfalls in key exporting countries lower world supplies. The 2007/08 marketing year average farm price is projected at $4.50 to $5.10 per bushel, up 15 cents per bushel on each end of the range reflecting tighter world supplies. The 2006/07 price forecast is unchanged at $4.27 per bushel.

Global 2007/08 wheat production is lowered 6.7 million tons from last month. FSU-12 output is projected 7.3 million tons lower as dry weather and heat in Ukraine and Russia sharply reduce crop prospects. The most adverse conditions coincided with key reproductive stages of winter wheat development in both countries. Production for Moldova is also lowered. Production is lowered 0.6 million tons this month for Morocco as severe drought sharply reduced winter wheat output. Partly offsetting these reductions is an increase in Argentina production, raised 1.2 million tons reflecting higher expected area as producers respond to high world prices.

With reduced 2007/08 global production and tighter supplies this month, global imports, exports, and consumption are all projected lower. The largest import reduction is projected for EU-27, down 1 million tons due to tighter FSU-12 supplies. The largest export declines are projected for Russia and Ukraine, down 2 and 3 million tons, respectively. A projected 1-million-ton increase in exports for Argentina still leaves world exports down 2.9 million tons this month. Even with a projected 3.8-million-ton reduction in global consumption, ending stocks decline 1.3 million tons. At 112.0 million tons, global stocks are projected down 8 percent from 2006/07, the lowest in 30 years.

The outlook for 2007/08 U.S. feed grains is little changed this month, with no changes to production or use and increases in ending stocks reflecting higher projected corn and barley carryin from the current marketing year. The 2007 projected corn yield is unchanged this month at 150.3 bushels per acre. Despite the very fast catch-up of planting during the second week of May, progress through the first week of May was the second slowest in the past 10 years. Early growing season weather remains mixed. Corn ending stocks for 2007/08 are projected at 997 million bushels, up 50 million bushels from last month. Barley ending stocks are projected 5 million bushels higher. The 2007/08 forecast price ranges for corn and the other feed grains are unchanged with the marketing year average corn price projected at $3.10 to $3.70 per bushel.

Forecast U.S. corn exports for 2006/07 are lowered 50 million bushels reflecting the slowing pace of shipments in recent weeks and more expected competition from larger supplies in Argentina. U.S. corn ending stocks for 2006/07 are correspondingly raised 50 million bushels. Barley imports are raised 1 million bushels and exports are lowered 4 million bushels leaving projected barley ending stocks up 5 million bushels. The 2006/07 corn price projection is lowered 10 cents on the top end of the range to $3.00 to $3.10 per bushel. The projected sorghum price range is tightened 5 cents on both ends to $3.25 to $3.35 per bushel.

Global 2007/08 coarse grain production is nearly unchanged this month with higher barley and corn production in the EU-27 nearly offsetting the reduction in Ukraine coarse grain output. EU-27 barley production is raised 1.3 million tons reflecting higher expected production in Spain. Ukraine barley production is lowered 2 million tons as persistent dryness and heat are affecting winter and spring barley prospects. World 2007/08 corn production is raised 1.5 million tons mostly due to higher expected production in EU-27 and Ukraine. Higher Ukraine corn production reflects an increase in reported plantings. (continued on page three)

Barley Acreage, Yield, and Production by Counties and Districts, 2006

County and District	ALL					IRRIGATED			
	Planted Acres	Harvested Acres	Yield Bushels	Production Bushels	Production Rank	Planted Acres	Harvested Acres	Yield Bushels	Production Bushels
Deer Lodge	--	--	--	--	--	--	--	--	--
Flathead	5,600	5,300	66	349,000	18	2,000	1,900	75	142,000
Granite	1,300	700	60	42,000	46	1,300	700	60	42,000
Lake	3,300	1,700	59	100,000	37	2,600	1,400	61	86,000
Lincoln	--	--	--	--	--	--	--	--	--
Mineral	--	--	--	--	--	--	--	--	--
Missoula	--	--	--	--	--	--	--	--	--
Powell	2,700	1,100	83	91,000	38	2,200	900	92	83,000
Ravalli	1,200	800	73	58,000	41	900	600	85	51,000
Sanders	800	100	70	7,000	52	--	--	--	--
Other	1,100	300	70	21,000	--	1,400	400	70	28,000
NORTHWEST	**16,000**	**10,000**	**67**	**668,000**	**--**	**10,400**	**5,900**	**73**	**432,000**
Blaine	20,500	14,200	32	454,000	14	6,700	3,900	57	224,000
Chouteau	32,500	30,500	34	1,025,000	9	--	--	--	--
Glacier	85,000	83,600	42	3,516,000	3	10,800	10,100	48	485,000
Hill	14,800	13,200	29	388,000	16	--	--	--	--
Liberty	15,700	15,500	41	643,000	12	--	--	--	--
Phillips	19,000	8,000	23	181,000	28	--	--	--	--
Pondera	92,500	90,500	56	5,103,000	1	41,000	40,400	69	2,769,000
Teton	75,000	72,400	66	4,793,000	2	51,000	49,800	81	4,055,000
Toole	42,500	42,100	46	1,918,000	4	--	--	--	--
Other	--	--	--	--	--	7,500	4,800	63	303,000
NORTH CENTRAL	**397,500**	**370,000**	**49**	**18,021,000**	**--**	**117,000**	**109,000**	**72**	**7,836,000**
Daniels	3,600	1,300	12	15,000	49	--	--	--	--
Dawson	19,300	11,300	33	374,000	17	2,300	2,300	77	176,000
Garfield	14,800	5,300	26	138,000	33	--	--	--	--
McCone	14,300	6,900	28	192,000	27	1,200	900	69	62,000
Richland	30,000	25,800	58	1,486,000	5	12,700	11,900	93	1,105,000
Roosevelt	8,600	5,800	49	287,000	21	2,400	1,900	95	180,000
Sheridan	6,900	5,100	29	146,000	32	--	--	--	--
Valley	9,500	5,000	18	91,000	38	2,600	800	45	36,000
Other	--	--	--	--	--	1,300	700	94	66,000
NORTHEAST	**107,000**	**66,500**	**41**	**2,729,000**	**--**	**22,500**	**18,500**	**88**	**1,625,000**
Broadwater	4,100	3,800	73	276,000	22	3,200	2,900	85	246,000
Cascade	29,200	26,000	52	1,358,000	7	10,600	9,800	82	800,000
Fergus	25,900	15,700	27	431,000	15	--	--	--	--
Golden Valley	--	--	--	--	--	--	--	--	--
Judith Basin	15,700	9,300	31	292,000	20	--	--	--	--
Lewis & Clark	9,100	8,300	74	615,000	13	6,700	6,500	82	536,000
Meagher	7,300	5,800	39	227,000	25	3,400	2,100	70	148,000
Musselshell	5,200	3,000	27	80,000	40	--	--	--	--
Petroleum	--	--	--	--	--	--	--	--	--
Wheatland	10,200	8,900	34	302,000	19	--	--	--	--
Other	6,800	3,700	35	131,000	--	6,600	2,100	60	126,000
CENTRAL	**113,500**	**84,500**	**44**	**3,712,000**	**--**	**30,500**	**23,400**	**79**	**1,856,000**
Beaverhead	6,000	3,000	90	269,000	23	5,800	2,800	93	261,000
Gallatin	21,900	21,100	61	1,297,000	8	8,500	8,000	74	590,000
Jefferson	--	--	--	--	--	--	--	--	--
Madison	5,000	1,800	83	150,000	31	4,800	1,600	87	139,000
Silver Bow	--	--	--	--	--	--	--	--	--
Other	1,100	100	100	10,000	--	1,100	100	100	10,000
SOUTHWEST	**34,000**	**26,000**	**66**	**1,726,000**	**--**	**20,200**	**12,500**	**80**	**1,000,000**
Big Horn	13,300	12,100	70	846,000	10	7,300	7,100	101	715,000
Carbon	7,800	6,600	101	667,000	11	7,200	6,400	104	665,000
Park	4,600	3,300	55	181,000	28	2,900	2,100	67	140,000
Stillwater	11,300	7,600	22	167,000	30	--	--	--	--
Sweetgrass	--	--	--	--	--	--	--	--	--
Treasure	--	--	--	--	--	2,200	2,100	113	237,000
Yellowstone	18,500	16,200	86	1,400,000	6	12,500	12,000	107	1,280,000
Other	4,500	2,700	100	269,000	--	2,200	1,300	79	103,000
SOUTH CENTRAL	**60,000**	**48,500**	**73**	**3,530,000**	**--**	**34,300**	**31,000**	**101**	**3,140,000**
Carter	8,800	2,300	21	48,000	44	--	--	--	--
Custer	5,900	1,600	65	104,000	35	1,200	1,000	91	91,000
Fallon	7,000	2,200	24	53,000	43	--	--	--	--
Powder River	5,200	1,600	29	46,000	45	--	--	--	--
Prairie	4,700	2,300	45	104,000	35	1,100	900	86	77,000
Rosebud	5,500	2,300	88	202,000	26	2,700	1,800	102	183,000
Wibaux	4,900	2,200	26	57,000	42	--	--	--	--
Other	--	--	--	--	--	100	--	--	--
SOUTHEAST	42,000	14,500	42	614,000	--	5,100	3,700	95	351,000
MONTANA	**770,000**	**620,000**	**50**	**31,000,000**	**--**	**240,000**	**204,000**	**80**	**16,240,000**

-- Counties are combined into “other” counties to avoid disclosure of individual information.

World Ag Supply and Demand Estimates (continued from page one)

Coarse grain exports are lowered 1.4 million tons with a 2-million-ton reduction for Ukraine barley exports partly offset by increased barley exports for EU-27, Australia, and Argentina. Coarse grain imports are lowered with barley imports for Saudi Arabia projected down 0.5 million tons. With global coarse grain consumption lowered slightly, global coarse grain ending stocks are projected 1.7 million tons higher, mostly reflecting the increase in corn stocks in the United States.

Changes this month for 2006/07 global coarse grains include increased South American production and adjustments in world exports. Corn production is raised 0.5 million tons each for Argentina and Brazil. Production in Argentina is raised to 22.5 million tons based on higher yields that more than offset a reduction in harvested area. Production in Brazil is projected at 50 million tons reflecting higher summer yields and increased winter corn area. Corn exports are raised 1 million tons for Argentina and 0.2 million tons for EU-27, nearly offsetting this month's 1.3-million-ton reduction in 2006/07 U.S. corn exports. (continued on page four)

April Ag Prices Received

April 2007 full month crop prices were mixed compared with March 2007. When compared with March 2007, Montana's winter wheat price was $4.79 per bushel, up $0.14; spring wheat price was up $0.07 to $4.82 per bushel; durum wheat prices increased $0.20 to $5.57 per bushel; feed barley was down $0.10 to $2.91 per bushel; and malt barley was $3.35 per bushel, up $0.03.

The mid May price for alfalfa hay dropped $1.00 to $89.00 per ton and all other hay dropped $8.00 to $84.00 per ton. Mid May grain prices were mixed when compared with April. The winter wheat price was $4.67 per bushel, spring wheat was $4.97 per bushel, durum wheat was $5.25 per bushel, malt barley was $3.59 per bushel, and feed barley was $3.07 per bushel.

Livestock prices for the full month of April were generally lower when compared with the previous month. Steer and heifer prices were steady at $102.00 per cwt and cows increased $2.30 to $49.90 per cwt. The price for calves dropped $4.00 to $121.00 per cwt. Sheep prices dropped $3.60 to $28.20 per cwt and lamb prices fell $5.00 to $96.00 per cwt. Milk prices increased $0.50 per cwt from March to $15.50 per cwt. Mid month May steer and heifer prices were $99.70 per cwt, cows were $53.50 per cwt, calves were $114.00 per cwt, and milk prices were $16.80 per cwt.

Nationally, prices for April and changes from March were as follows: winter wheat was $4.87 per bushel, up $0.20; spring wheat was $4.86 per bushel, up $0.10; durum wheat was $5.45 per bushel, up $0.12; the all barley price was $3.07 per bushel, down $0.03; steer and heifer prices were $99.90 per cwt, up $2.20; and calf prices were up $3.00 to $127.00 per cwt.

The U.S. mid May winter wheat price was $4.58 per bushel, spring wheat was $4.91 per bushel, durum wheat was $5.28 per bushel, all wheat was $4.70 per bushel, malt barley was $3.29 per bushel, feed barley was $3.47 per bushel, and all barley was $3.33 per bushel. Steer and heifer prices were $98.60 per cwt, cows were $51.60 per cwt, calves were $126.00 per cwt, all hogs were $52.00 per cwt, and all eggs were $0.773 per dozen.

The preliminary All Farm Products Index of Prices Received by Farmers in May, at 138, based on 1990 92=100, increased 4 points (3.0 percent) from April.

United States Index Summary

INDEX (1990-92=100)	April 2006	May 2006	April 2007	May 2007
Prices Received	111	111	134	138
Prices Paid, Interest, Taxes, & Farm Wage Rages 1/	148	149	157	158
Ratio 2/	75	74	85	87

1/ Prices paid indexes (1990-92=100) published monthly. 2/ Ratio of index of prices received by farmers to index of prices paid.

Montana Average Farm Prices Received

Commodity	UNIT	Monthly Average				Change from Previous		Mid-Month Avg	
		Montana			U.S.	Month	Year	Montana	U.S.
		Apr 2006	Mar 2007	Apr 2007	Apr 2007	Mar 2007	Apr 2006	May 15 2007	May 15 2007
		Dollars							
Winter Wheat	Bu	3.78	4.65	4.79	4.87	0.14	1.01	4.67	4.58
Durum Wheat	Bu	3.42	5.37	5.57	5.45	0.20	2.15	5.25	5.28
Spring Wheat	Bu	3.93	4.75	4.82	4.86	0.07	0.89	4.97	4.91
All Wheat	Bu	3.80	4.74	4.87	4.89	0.13	1.07	4.86	4.70
All Barley	Bu	2.82	3.28	3.28	3.07	0.00	0.46	3.51	3.33
Feed Barley	Bu	1.65	3.01	2.91	3.20	-0.10	1.26	3.07	3.47
Malt Barley	Bu	3.00	3.32	3.35	3.02	0.03	0.35	3.59	3.29
Oats	Bu	na	2.32	2.32	2.46	nc	na	na	2.36
Alfalfa Hay	Ton	60.00	90.00	90.00	128.00	0.00	30.00	89.00	144.00
All Other Hay	Ton	66.00	87.00	92.00	113.00	5.00	26.00	84.00	116.00
All Hay Baled	Ton	61.00	90.00	90.00	124.00	0.00	29.00	89.00	138.00
Steers & Heifers	Cwt	111.00	102.00	102.00	99.90	0.00	-9.00	99.70	98.60
Cows	Cwt	49.50	47.60	49.90	49.20	2.30	0.40	53.50	51.60
Beef Cattle 1/	Cwt	86.40	91.10	87.40	94.30	-3.70	1.00	85.80	93.50
Calves	Cwt	131.00	125.00	121.00	127.00	-4.00	-10.00	114.00	126.00
Sheep	Cwt	26.00	31.80	28.20	33.80	-3.60	2.20	na	na
Lambs	Cwt	84.70	101.00	96.00	97.20	-5.00	11.30	na	na
All Milk	Cwt	12.90	15.00	15.50	16.60	0.50	2.60	16.80	17.80

1/ Composite of steers, heifers, and cows. na-not available. nc-no change.

World Ag Supply and Demand Estimates (continued from page three)

This month's 2007/08 U.S. oilseed supply and use projections include slight reductions in beginning and ending stocks. Soybean production, trade, and ending stocks projections are all unchanged. Soybean ending stocks for 2007/08 are projected at 320 million bushels, down almost 50 percent from 2006/07. Other changes this month include reduced soybean oil used for biodiesel for 2006/07 and 2007/08 as returns to biodiesel production become less favorable due to higher vegetable oil prices.

The U.S. season-average soybean price for 2007/08 is projected at $6.65 to $7.65 per bushel, up 15 cents on both ends of the range. The increase reflects higher-than-expected forward pricing opportunities in recent weeks, in part due to stronger soybean oil prices. Soybean meal prices for 2007/08 are projected at $185 to $215 per short ton, unchanged from last month. Soybean oil prices are projected at 30.5 to 34.5 cents per pound, up 1 cent on both ends of the range.

Global oilseed production for 2007/08 is projected at 399 million tons, down 5.4 million tons from 2006/07. If realized, this would be the first year-to-year decline in global oilseed production since 1995/96. Foreign oilseed production is projected at 315 million tons, up 7 million tons from 2006/07. Global soybean production is projected to decrease 10 million tons to 225 million tons. Most of the reduction is due to lower production prospects in the United States as producers reduced planted area sharply from 2006/07. Higher soybean production is projected for both Brazil and Argentina as increased area in both countries more than offsets reduced yields. Higher area is projected for Argentina despite increased corn planting as producers increase second crop soybean production and continue to expand plantings on to pasture land. The Brazil crop is projected at 61 million tons, up 2 million from the revised estimate for 2006/07. The Argentina crop is projected at 47 million tons, up 0.5 million from the revised 2006/07 crop. If realized, production in both countries once again will be record high.

Global production of high-oil-content seed is up 5 percent from 2006/07 reflecting sharp increases in rapeseed production. Rapeseed production is projected sharply higher in EU-27 as producers respond to higher prices resulting from demand for biodiesel. Production is also projected higher for Canada, India, and Australia. Lower global sunflowerseed production is mainly due to smaller crops projected for EU-27 and Ukraine. Soybean, rapeseed, and peanut production are each projected lower for China for 2007/08.

Global protein meal consumption is projected to increase 3.9 percent in 2007/08, the smallest annual increase in 4 years. Most of the gains are projected for soybean meal despite reduced production prospects for soybeans. Protein meal consumption is projected to increase 5 percent in China, which accounts for 28 percent of global protein consumption gains. World soybean trade is projected to reach a record 75.5 million tons, up 5.5 million tons from 2006/07. China is projected to account for over 80 percent of the increase, reaching a record 34.5 million tons of imports. Although protein consumption gains are projected lower than in recent years for China, imports will be needed to offset reduced oilseed production.

Global vegetable oil consumption is projected to increase 4.1 percent in 2007/08 led by increases for China, India, and EU-27. Increased consumption in EU-27 mostly reflects increased production of biodiesel. Global vegetable oil stocks are projected to decline 6 percent from 2006/07.

Wheat: Supply, Disappearance, and Price, United States, 1993-2007

Year Beginning June 1	SUPPLY				DISAPPEARANCE						Ending Stocks May 31	Season Avg. Price
	Beginning Stocks	Production	Imports 1/	Total	Domestic Use				Exports 1/	Total Disappearance		
					Food	Seed	Feed 2/	Total				
	-- Million Bushels --											$
1993	531	2,396	109	3,036	872	96	272	1,240	1,228	2,467	568	3.26
1994	568	2,321	92	2,981	853	89	344	1,287	1,188	2,475	507	3.45
1995	507	2,183	68	2,757	883	104	153	1,140	1,241	2,381	376	4.55
1996	376	2,277	92	2,746	891	102	308	1,301	1,001	2,302	444	4.30
1997	444	2,481	95	3,020	914	92	251	1,257	1,040	2,298	722	3.38
1998	722	2,547	103	3,373	908	81	397	1,385	1,042	2,427	946	2.65
1999	946	2,299	95	3,339	929	92	279	1,300	1,090	2,390	950	2.48
2000	950	2,232	90	3,272	950	80	304	1,334	1,062	2,396	876	2.62
2001	876	1,957	108	2,941	926	84	190	1,200	964	2,164	777	2.78
2002	777	1,606	81	2,464	919	84	119	1,122	850	1,972	491	3.56
2003	491	2,345	63	2,899	912	80	203	1,194	1,158	2,353	546	3.40
2004	546	2,158	71	2,775	910	78	182	1,169	1,066	2,235	540	3.40
2005	540	2,105	82	2,727	914	78	154	1,146	1,009	2,155	571	3.42
2006 3/	571	1,812	120	2,503	925	82	170	1,177	910	2,087	417	4.27
2007 3/	417	2,168	100	2,684	930	81	230	1,241	1,000	2,241	443	4.50-5.10

1/ Imports and exports include flour and other products expressed in wheat equivalent. 2/ Residual, approximates feed use and includes negligible quantities used for distilled spirits. 3/ Preliminary.
SOURCE: World Agricultural Supply and Demand Estimates, June 2007--ERS. Totals may not add due to independent rounding.

COMING IN THE NEXT REPORTER

- Potato Stocks
- Milk Production
- Sweet Cherry Production
- Cattle on Feed
- Egg Production
- Red Meat Production
- Hogs and Pigs
- Grain Stocks
- Crop Acreages

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